



***Bank of Georgia Announces the Sale of 512,248 Treasury Shares
To Firebird Avrora Fund***

JSC Bank of Georgia (GSE: GEB), a leading Georgian commercial bank, announced today the sale of 512,248 treasury shares to Firebird Avrora Fund. The trade was executed today on the Georgian Stock Exchange, where Bank of Georgia remains the most liquid and sole listed stock. All of the shares were sold at GEL 6.0 per share. The bank's book value, as of September 30, 2004, was GEL 5.72 per share. As a result of this transaction, Bank of Georgia has increased in equity capital to GEL 53.9 million, becoming the largest bank in Georgia by equity capital.

Lado Gurgenidze, Chief Executive Officer of Bank of Georgia, commented, "Every new institutional shareholder of BoG is very much welcome, as the ongoing upgrading of our shareholder base raises the bank's profile internationally. I am very pleased with the work of Galt & Taggart and the bank's newly established Investor Relations department with both existing and potential shareholders."

Murtaz Kikoria, Head of the Banking Supervision and Regulation Department at the National Bank of Georgia, stated "We at the National Bank of Georgia are excited that our hard work on the regulatory front is paying off and international investors have discovered the Georgian banking sector as an attractive investment opportunity."

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 19.4 % market share in loans and 17.2 % market share in deposits. The bank markets and distributes a wide spectrum of retail products through its extensive branch network, and offers a full range of commercial banking and investment banking (through its affiliate, Galt & Taggart Securities) services to corporate clients. As at September 30, 2004, the bank had GEL 279.2 million in assets. In 2003, the bank earned net income of GEL 9.2 million.

About Firebird Avrora Fund and Firebird Management LLC

Firebird Avrora Fund is a portfolio equity fund that invests in the markets of the successor states of the Soviet Union as well as Eastern Europe. Firebird Global Fund is one of the six funds managed by Firebird Management LLC, a portfolio investment fund manager with approximately \$700 million in portfolio funds dedicated to equity investments in Russia, Eastern Europe and Central Asia. Firebird Management LLC has vast experience in investing in financial institutions across the CIS countries.

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